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C O N F I D E N T I A L SECTION 01 OF 02 MADRID 001006

SIPDIS

DEPARTMENT FOR EUR/WE, P SPECIAL ADVISOR MULL, NEA/IRAN

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TAGS: [KNNP](#) [MNUC](#) [PARM](#) [PREL](#) [IR](#) [SP](#)

SUBJECT: BRIEFING SPAIN ON OUTCOME OF P5+1 TALKS WITH IRAN

REF: STATE 103218

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Classified By: Charge d'Affaires Arnold Chacon for reasons 1.4 (b) and (d)

¶1. (C) SUMMARY. Embassy has engaged with Spanish counterparts to learn more about Spanish intentions to support the P5 1 process. While the working level interlocutors are more inclined than in the past to consider the need for sanctions if ongoing discussions do not bring positive results in the near term, we continue to hear that FM Moratinos personally decides how far Spain is willing to go in support of further sanctions, and he continues to emphasize a "dialogue" and "no pressure" stance. Spanish interlocutors focus on the need for "effective sanctions," and question whether other key participants, including Russia, China, India and Iran's neighboring countries will come on board. END SUMMARY.

¶2. (C) On Monday, October 5, Spanish officials Carlos Torres, MFA Special Advisor for Non-Proliferation and Disarmament, and Gonzalo de Salazar, MFA Deputy Director for Non-Proliferation, received an unclassified briefing on the outcome of P5 1 talks with Iran as part of a previously scheduled joint meeting, that included British and French Embassy counterparts, to learn more about Spanish intentions to support the P5 1 process. Embassy asked for Spain's continued support for dual track engagement and urged Spain to influence Iran to comply with its NPT, UNSC, and IAEA obligations. Looking ahead to Spain's January-June 2010 EU Presidency, Embassy noted the importance of continuing preparations for sanctions in the event ongoing discussions did not result in positive progress, adding that now was not the time to weaken the international community's stance and undermine a diplomatic resolution.

¶3. (C) Special Advisor Torres noted that Spain did not see any real change in Iran's position since the last round of discussions. Similarly, Salazar pointed out that key players in the Geneva talks, Iranian Saeed Jalili and EU Representative Solana had interpreted the Summit final declarations differently. In Salazar's view, the international community and Iran held the same negotiating positions as a year ago, with the new factor that Iran now has more centrifuges installed in its facilities. Noting that Iranian credibility was compromised further in the wake of new information about the Qom enrichment plant, Torres said that Spain would look to the results of the upcoming inspections to see if the IAEA, in fact, received unfettered access to Iranian facilities. Note: Torres and MFA Middle East Office Director Alberto Ucelay had also received information regarding Iranian enrichment activity from STATE ¶100153.

¶4. (C) Asked specifically how Spain's position would evolve

given recent developments, Torres said that sanctions would be a logical progression if P5 1 discussions do not result in concrete Iranian progress on its obligations within a reasonable timeframe. However, Torres emphasized that any sanctions regime would need to be effective, and he expressed great doubt that the international community could reach consensus on a program. He also worried that restricting technology flows to Iran would negatively impact other broad goals such as encouraging economic progress that might lead to a more open society and expansion of democratic freedoms. Torres emphasized that sanctions on gasoline and petrochemical products would be particularly difficult to implement, anticipating that India, Malaysia, and Arab neighbors would continue supplying Iran with those commodities. He also found it hard to imagine that the international community would get Russia and China to join in a sanctions regime. Salazar offered his view that China was "doing more business in Iran than it should be," hiring workers from other countries, including the West, that resulted in technology transfer to Iran. He also was very skeptical that China or India would ever support Iran sanctions.

15. (C) Presented with the possibility that even without Russian and Chinese support for sanctions, the EU should not let those two countries dictate its own foreign policy, Torres fell back on his effectiveness argument, repeating again that Spain did not see any benefit to taking a stand that would undermine the EU's long-term interests while at the same time failing to achieve any real impact on Iranian proliferation in the near-term.

16. (C) Torres, who also follows closely the North Korean nuclear program and was looking for parallels in clandestine operations, wondered that there might be other hidden assets

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that would indicate Iranian military objectives. Torres was particularly concerned that Iran now asked to raise its uranium enrichment levels from five to 20 percent, thereby getting closer to military grade requirements. Torres also voiced his concern about Iran's ongoing construction of the Araq heavy water reactor, which he said is ideal for producing plutonium. Calling Araq a carbon copy of Pakistani designs, he said Spain worried that this facility was outside current IAEA safeguards. Torres did not understand why the U.S., UK and France never raised the issue, although Araq would probably be operational by 2011.

17. (C) In a separate meeting with MFA Middle East and Iran Office Director Alberto Ucelay regarding the P5 1 process, Ucelay said that Spain recognized the international community would look for it to provide leadership on the issue during the January-June 2010 EU Presidency. Ucelay said that Spain would support the outcomes of the P5 1 process. Pressed for what Spain could and would do to advance common objectives, Ucelay demurred from sharing any specifics, but said that Spain would take a more forward leaning role starting in January 2010. During subsequent conversations with UK and French Embassy counterparts on October 9, Poloff learned that Ucelay shared the same line with other diplomats -- that Spain was evolving gradually toward the possibility of taking a more active role. However, the bottom line remains, according to all MFA counterparts, that FM Moratinos will take any final decisions about Spanish support for sanctions.

18. (C) Looking ahead to proposed travel of an U.S. delegation to discuss Iran policy in Brussels, Stockholm and Madrid, Spanish interlocutors are likely to present questions about the efficacy of sanctions and why "standing on principle" should be implemented at the expense of what they perceive as other long-term interests. FM Moratinos continues to emphasize the importance of dialogue, and in particular, finding ways forward that protect Iranian "pride", thereby enabling them to take steps gradually

shifting policy.
CHACON